

0007



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

INSPECTION REPORT

Partial Complete XXX Exploration

Inspection Date: 03/27/2002 / Time: 9 AM-11:30 AM

Date of Last Inspection: 02/26/2002

Mine Name: Centennial Project County: Carbon Permit Number: C/007/019

Permittee and/or Operator's Name: Andalex Resources Inc.

Business Address: P.O. Box 902, Price, Utah 84501

Company Official(s): Mr. Mike Glasson, Senior Geologist

State Official(s): Peter Hess Federal Official(s): None

Weather Conditions: Clear / high clouds / Temperature in 50's F

Type of Mining Activity: Underground XXX Surface Prep Plant Other

Existing Acreage: Permitted 5179.49 Disturbed 35.27 Regraded Seeded

Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 03/27/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: The permittee is in the process of rehabilitating the Aberdeen Mine in anticipation of resuming continuous miner development in June of 2002. Upon the completion of longwall mining activities at the Andalex Crandall Canyon Mine, that face machinery will be moved into the Centennial Aberdeen Mine. Mr. Glasson surmised that the re-initiation of longwall activities at Centennial would occur by or during July of 2004.

As part of the Aberdeen's rehabilitation, the permittee has plans to change out nine belt drives. To date, one change-out has occurred.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The permittee has performed the necessary maintenance on the inlet ditch on the north side of Pond "E". This ditch is located on the south side of the inbound truck lane to the Aberdeen Mine truck-loading loop.

The undisturbed diversion designated as "UD-3" (located above the lower Pinnacle portals) is in need of being redefined. An unvegetated cut bank exists immediately above this ditch, and sediment from this bank is continually filling it in. The amount of work needing done calls for a small backhoe, but the bench through which the ditch is routed is only five to six feet wide. Mr. Glasson intends to address the needed maintenance based on the recommendation of his surface compliance person.

The straw bales which have been placed in UD-3 need to be bermed on their ends to prevent bypassing.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee completed the first quarter of 2002 impoundment inspections for the site on March 15, 2002. Mr. Glasson conducted the inspections of ponds "B", "C", and "E". The upper cell of pond "B" was noted as being full of sediment. The lower three cells of pond "B" are capable of providing adequate retention time for any disturbed runoff which reports to them.

The March 15 inspection did not note any hazardous conditions for any of the ponds.

All of the ponds were observed as dry this day; no hazardous conditions were noted.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Water monitoring data for the third quarter of 2001 was reviewed. Only well #1 had a sample taken due to "no flow" at all other water monitoring sites. The lab analysis sheet for the well #1 sample showed reportable results for all required parameters listed in the mining and reclamation plan. The reported cation/anion balance of -1.7% is well within the acceptable error range.

Field notes for the fourth quarter 2001 water monitoring requirements were reviewed. Ms. Karla Knoop performed monitoring on December 13, 18, and 19, 2001. Again, all surface monitoring sites were reported as having "no flow". Well #1 was sampled.

Discharge monitoring reports for the sites four UPDES outfalls were reviewed for the months of November and December of 2001, and January and February of 2002. No outfalls discharged during that four-month period. All reports were submitted in a timely fashion.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 03/27/2002

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The site's current UPDES permit remains in effect until April 30, 2003.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The rehabilitation of the Aberdeen Mine has generated a medium size pile of coal mine waste, which is being temporarily stored on the Aberdeen coal storage pad. This material will see final disposal at the Wildcat loadout refuse storage facility, when the size of the pile is such that the trucking costs are worthwhile.

The snow removal process in the vicinity of the Aberdeen truck-loading loop has generated some coal mine waste. A small pile exists where material has been pushed up and the frozen snow has now melted. What remains will be gathered and shipped to the Wildcat refuse disposal facility as well.

9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES

A review of the permittee's SPCC plan revealed several statements which indicate that the site's sediment ponds have been included as part of the containments for diesel fuel, gasoline, and other types of petroleum products. According to Mr. Mike Suflita, Reclamation Hydrologist with the Division's Salt Lake technical staff, the use of UPDES containments to retain petroleum spills is not allowed according to the rules. A revision to the permittee's SPCC plan (which also includes information relative to the Wildcat loadout facility), as well as an amendment to the UPDES permit, may be necessary to bring the site into compliance.

14. SUBSIDENCE CONTROL

The permittee's most recent subsidence survey, completed in September of 2001 by Mr. Bruce T.S. Ware, registered land surveyor, was reviewed. Mr. Ware's report noted that analysis of the differential survey revealed that no horizontal or vertical displacement had occurred with any of the fourteen monitoring points. A surface walkover between those monitoring points did not reveal any visual subsidence impacts.

It was pointed out to Mr. Glasson that Mr. Ware's report did not have the professional land surveyor's seal of certification. Mr. Glasson corrected this during the course of the inspection.

Inspector's Signature: _____

Peter Hess #46

Date: March 29, 2002

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM
Mike Glasson, Andalex
Price Field office

O:\007019.CEN\Compliance\2002\C_0327.doc